



## CITY COUNCIL MEMORANDUM

**FROM:** The Office of the City Manager **DATE:** September 26, 2022

**SUBJECT:** Consider Reimbursement Resolution No. 2022-040 in an amount not to exceed \$14,450,000.

**PRESENTER:** Mark C. Mills, Director of Finance

### **SUMMARY:**

In preparation for work to begin on projects included in the Fiscal Year 2022/2023 Capital Projects Budget, funded through the issuance of Certificates of Obligation ("CO's"), staff requests that City Council consider the passage of a reimbursement resolution.

### **GENERAL DESCRIPTION:**

After the adoption of the Fiscal Year 2022/2023 ("FY23") Capital Projects Budget, staff requests that Council consider the adoption of a reimbursement resolution. This resolution will allow the City to begin work by providing a mechanism through which project expenditures incurred can be reimbursed through the future issuance of bonds.

The reimbursement resolution itself does not authorize the issuance of debt; it only stipulates that any expenses made before the debt issuance is complete may be reimbursed with the issuance proceeds. Any interim funding required will be appropriated from existing reserves and will be repaid upon receipt of the bond proceeds. The process of issuing the associated bonds will occur later this fiscal year.

Projects in the Capital Projects Budget funded through CO's include \$5,000,000 in additional funding for the City's annual street program. In the area of Fleet Services, the budget includes the replacement of a fire engine and two dump trucks. Utility projects funded through CO's include a 24" transmission line and a conversion from AMR ("drive by") water meter endpoints to cellular endpoints.

A reimbursement resolution authorizes the City to reimburse expenditures with the proceeds of future debt. The Council typically passes at least one reimbursement resolution each year in anticipation of a planned sale of GO's or CO's. The last such resolution was passed October 11, 2021.



The reimbursement resolution prepared for Council approval includes the projects contained in the following table:

Debt Type	Taxable / Tax-Exempt	Project Type	Description	Amount
CO	Tax-Exempt	Streets	Street Program Supplemental Funds	\$5,000,000
CO	Tax-Exempt	Fleet	Dump Truck	\$185,000
CO	Tax-Exempt	Fleet	Dump Truck	\$205,000
CO	Tax-Exempt	Fleet	Fire Engine	\$985,000
CO	Tax-Exempt	Utility	24" Transmission Line	\$3,075,000
CO	Tax-Exempt	Utility	Cellular End Point Conversion	\$4,855,000
Sub Total				\$14,305,000
Estimated Issuance Cost				\$145,000
TOTAL				\$14,450,000

**RECOMMENDATION:**

Approve Reimbursement Resolution No. 2022-040 in an amount not to exceed \$14,450,000.